

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01

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INFO US MISSION OECD PARIS 2033

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E.O. 11652: N/A

TAGS: ENRG ECON IT

SUBJ: PRICE INCREASE FOR MOST PETROLEUM PRODUCTS

REF: (A) ROME 4336, (B) ROME 4499

1. AT ITS MEETING OF APRIL 15 THE INTERMINISTERIAL PRICE COMMITTEE (CIP) INCREASED THE MAXIMUM PRICE LEVEL OF PETROLEUM PRODUCTS EXCEPT GASOLINE AND KEROSENE FOR HEATING, FOR WHICH TWO PRODUCTS PRICES WERE INCREASED ON MARCH 13 AND 18, 1976 (REFTELS). NEW MAXIMUM PRICE LEVELS (OLD MAXIMUM PRICE LEVEL IN PARENTHESIS)
ARE:

PRODUCT PRICE

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LPG (FOR TRANSPORTATION) 263 (250) LIRE/LITER

LIGHT DIESEL FUEL OIL

(FOR TRANSPORTATION) 160 (155) LIRE/LITER

HEAVY FUEL OIL

(HIGH SULPHUR CONTENT) 57,500 (51,700)LIRE/TON

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LIGHT DIESEL OIL FOR HEATING

(GASOIL) 89,750 (84,150) LIRE/TON
LPG (INDUSTRIAL USE) 111,720 (90,720) LIRE/TON
LPG (10 KG BOTTLE) 3,400 (3,150) LIRE EACH

2.. ABOVE PRICES IN LIRE/LITER AND FOR BOTTLED LPG
INCLUDE TAXES, WHILE THOSE GIVEN IN LIRE/TON ARE PRICES
AT RAFINERY OR AT COAST STORAGE FACILITY EXCLUDING TAXES
AND TRANSPORTATION COST.

3. ALLOWED RETURN PER METRIC TON OF CRUDE INCREASED
TO 74,682 LIRE (69,382) BECAUSE OF LIRA DEVALUATION.
IMMEDIATE REACTION OF UNIONE PETROLIFERA IS THAT
INCREASE IS INSUFFICIENT: "EXCHANGE RATE USED BY CIP
TO CALCULATE NEW PRICES, 824.46 LIRE/DOLLAR DURING
MARCH (766.40 IN FEBRUARY), IS NOT RPT NOT REALISTIC
AS IT IS SUBSTANTIALLY LESS THAN THE PRESENT CURRENT
PREVAILING EXCHAGNE RATE OF 877 LIRE/DOLLAR WITH
HIGHER PEAKS OF 900 LIRE/DOLLAR. THE RESULT IS A LOSS OF
APPROXIMATELY 53 LIRE/DOLLAR, WHICH MEANS ABOUT
4,900 LIRE/TON OF IMPORTED CRUDE. THE AUTHORIZED INCREASE
DOES NOT CHANGE THE COMPANIES PRESENT DIFFICULT
SITUATION."

4. CIP DECISION WAS ALSO CRITICIZED BY THE NATIONAL
ASSOCIATION OF TRUCKERS (ANITA) WHICH STRESSED
THE INEVITABLE IMPACT ON THE RETAIL PRICES OF ALL
CONSUMER GOODS. VOLPE

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